



Legislative Report

Problem Gambling Annual Reconciliation

State Fiscal Year 2021

Behavioral Health Division

February 2022

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Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is \$899.00.

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I. Executive summary

Pursuant to Minnesota Statutes, section 245.98 the Department of Human Services (DHS) administers a Problem Gambling Program that funds awareness and education campaigns about problem gambling as well as a statewide helpline, inpatient and outpatient treatment for gambling addiction, professional training opportunities, and research designed to understand the needs of Minnesota communities experiencing problem gambling. The Problem Gambling Program receives guidance from the Advisory Committee on Compulsive Gambling, a 16-member committee appointed to four-year terms by the Commissioner of Human Services.

The Problem Gambling Program recognizes the need for a continuum of care system that includes education, prevention, treatment, and recovery supports to minimize the harmful effects of problem gambling. Prevention initiatives include both individual and population-based education strategies designed to reduce the harmful effects of problem gambling. Early intervention and treatment efforts involve both early identification of an individual's risk and treatment to reduce the harmful effects of problem gambling. Support groups such as Gamblers Anonymous and Gam-Anon are also available for people struggling with problem gambling.

In 2021 legislation passed that requires DHS to report monthly to Northstar Problem Gambling Alliance, the state affiliate recognized by the National Council on Problem Gambling¹, on the revenue deposited in the general fund that is allocated to the compulsive gambling treatment program and to Northstar Problem Gambling Alliance under Minnesota Statutes, section 297E.02, subdivision 3, paragraph c². Beginning January 1, 2022 DHS is also required to report to the legislature an annual reconciliation of the amounts deposited in the general fund, including the amount allocated to DHS for the compulsive gambling treatment program and Northstar Problem Gambling Alliance. This report fulfills the requirement of DHS to issue to the legislature an annual reconciliation of the amounts deposited.

¹ Northstar Gambling Alliance is the only recognized State affiliate by the National Council on Problem Gambling (NCPG) in the state of Minnesota.

² [Minnesota Laws 2021, Regular Session, Chapter 30, Article 11, Section 5](#)

II. Legislation

Minnesota Statutes, section 297E.02, subdivision 3, paragraph (d):

(a) Taxes imposed by this section are due and payable to the commissioner when the gambling tax return is required to be filed. Distributors must file their monthly sales figures with the commissioner on a form prescribed by the commissioner. Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner shall prescribe the content, format, and manner of returns or other documents pursuant to section [270C.30](#). The proceeds, along with the revenue received from all license fees and other fees under sections [349.11](#) to [349.191](#), [349.211](#), and [349.213](#), must be paid to the commissioner of management and budget for deposit in the general fund.

(b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section [349.16, subdivision 8](#).

(c) One-half of one percent of the revenue deposited in the general fund under paragraph (a), is appropriated to the commissioner of human services for the compulsive gambling treatment program established under section [245.98](#). One-half of one percent of the revenue deposited in the general fund under paragraph (a), is appropriated to the commissioner of human services for a grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. Money appropriated by this paragraph must supplement and must not replace existing state funding for these programs.

(d) The commissioner of human services must provide to the state affiliate recognized by the National Council on Problem Gambling a monthly statement of the amounts deposited under paragraph (c). Beginning January 1, 2022, the commissioner of human services must provide to the chairs and ranking minority members of the legislative committees with jurisdiction over treatment for problem gambling and to the state affiliate recognized by the National Council on Problem Gambling an annual reconciliation of the amounts deposited under paragraph (c). The annual reconciliation under this paragraph must include the amount allocated to the commissioner of human services for the compulsive gambling treatment program established under section 245.98, and the amount allocated to the state affiliate recognized by the National Council on Problem Gambling.

III. Annual Reconciliation and Monthly Gambling Receipts, State Fiscal Year 2021

Monthly receipt statements are provided to Northstar Problem Gambling Alliance from the Department of Human Services (DHS). Following is a table which shows monthly allocations of the portion of revenue deposited in the general fund under Minnesota Statutes, section 297E.02, subdivision 3, paragraph (a) that is allocated to DHS. Minnesota Statutes, section 297E.02, subdivision 3, paragraph (c) requires one-half of one percent of the revenue deposited in the general fund under paragraph (a) to be appropriated to the commissioner of human services for the compulsive gambling treatment program established under Minnesota Statutes, section 245.98 and one-half of one percent to be appropriated to the commissioner of human services for a grant to the state affiliate recognized by the National Council on Problem Gambling.

State Fiscal Year 21	Accounting Date	Full Amount Received	DHS Share (50%)	Northstar Share (50%)
SFY21	08/13/2020	\$23,405.42	\$11,702.71	\$11,702.71
SFY21	09/10/2020	\$47,536.93	\$23,768.46	\$23,768.47
SFY21	10/07/2020	\$78,124.38	\$39,062.19	\$39,062.19
SFY21	11/12/2020	\$97,578.65	\$48,789.32	\$48,789.33
SFY21	12/07/2020	\$113,100.35	\$56,550.17	\$56,550.18
SFY21	01/07/2021	\$73,639.58	\$36,819.79	\$36,819.79
SFY21	02/10/2021	\$2,738.73	\$1,369.36	\$1,369.37
SFY21	03/11/2021	\$80,339.28	\$40,169.64	\$40,169.64
SFY21	04/14/2021	\$121,342.17	\$60,671.08	\$60,671.09
SFY21	05/12/2021	\$163,604.60	\$81,802.30	\$81,802.30
SFY21	06/07/2021	\$165,089.24	\$82,544.62	\$82,544.62

State Fiscal Year 21	Accounting Date	Full Amount Received	DHS Share (50%)	Northstar Share (50%)
SFY21	06/30/2021	\$171,343.48	\$85,671.74	\$85,671.74
SFY 2021 Total:		\$1,137,842.81	\$568,921.38	\$568,921.43

Northstar and DHS monthly receipts³

³ This table does not include funding distributed to Northstar Problem Gambling Alliance from the Lottery Prize Fund: \$225,000 in SFY 2021 (EBFD 32550).